



**2017-18**

## Matching Scholarship and Tuition Grant Description and Application Instructions

Match the Promise Foundation • Texas Comptroller of Public Accounts • 111 E. 17th St. • P.O. Box 13232 • Austin, Texas 78711-3232



Texas Comptroller of Public Accounts



## MATCH THE PROMISE

The Texas Match the Promise Foundation<sup>SM</sup> encourages families to save for college by offering matching scholarships and tuition grants to participants in the Texas Tuition Promise Fund<sup>SM</sup> — the state's prepaid tuition plan.

Promise Fund tuition units represent a fixed amount of undergraduate tuition and required fees at Texas public colleges and universities. Match the Promise will award Promise Fund tuition units to approved recipients, supplementing participant contributions to the fund during the current Promise Fund sales period.

### Two Levels of Scholarships

#### Matching Scholarship

Up to **\$500** of participant tuition unit purchases will be matched with the same type of tuition units. Scholarship recipients with a family income of \$75,000 or less will receive a two-to-one match. All other scholarship recipients will receive a one-to-one match.

#### Promise Scholarship

A one-time grant of tuition units worth **\$2,000** at today's prices will be awarded.

*Matching Scholarships* will be approved for up to 150 top scoring applicants. The five applicants who score the highest will receive *Promise Scholarships*.

The Foundation will accept applications postmarked **Sept. 1 through Dec. 31, 2017**.

## TUITION UNITS

The Promise Fund offers three different types of tuition units to cover all or a portion of tuition and required fees at Texas public colleges and universities — from community colleges to the most expensive schools.

Type III units are priced for the weighted average cost of Texas public 2-year colleges.

Type II units are priced for the weighted average cost of Texas public 4-year colleges and universities.

Type I units are priced for the most expensive Texas public 4-year college or university.

You can purchase the number and type of tuition units that fit your needs. Generally, 100 tuition units represent 30 semester hours, or one academic year, at the school nearest to the pricing point for a unit type. The number of tuition units needed for an academic year varies depending on school and unit type.

Match the Promise will award tuition units to approved recipients, adding to the tuition units you purchase. Following are examples of the number and type of tuition units that Match the Promise could provide.

#### Matching Scholarship

According to 2017-18 tuition unit pricing, tuition units worth \$500 at today's prices would equal approximately:

- 20 Type III units; or
- 5 Type II units; or
- 4 Type I units.

#### Promise Scholarship

According to 2017-18 tuition unit pricing, tuition units worth \$2,000 at today's prices would equal approximately:

- 80 Type III units; or
- 20 Type II units; or
- 15 Type I units.

Information on Promise Fund tuition unit types and prices, and on the flexibility of using different tuition unit types at different public colleges and universities, can be found in the Promise Fund enrollment kit and at [www.texas tuition promise fund.com](http://www.texas tuition promise fund.com).

## WHO CAN APPLY

To apply for the Match the Promise scholarship program, applicants must:

- have a Texas Tuition Promise Fund account;
- be a Texas resident and a dependent for tax purposes of a Texas resident;
- be a student in grade five through nine; and
- have a family income of \$100,000 or less.

### **Promise Fund Account**

To apply for the Match the Promise program, students must be the beneficiary of a Promise Fund account.

If families have not already enrolled in the Promise Fund, they can do so during the current Match the Promise application period (Sept. 1 – Dec. 31, 2017) at [www.texas tuition promise fund.com](http://www.texas tuition promise fund.com) or by mailing an enrollment form to the Promise Fund program. You must provide your Promise Fund account number on the Match the Promise application.

The current Promise Fund sales period — the time frame in which the current tuition unit prices are valid, and when, once enrolled, you can purchase additional units at these prices — is Sept. 1, 2017, through Aug. 31, 2018.





### *For New Promise Fund Enrollees Only:*

To enroll in the Promise Fund, participants must pay a one-time \$25 administrative fee at the time of enrollment. You can purchase tuition units all at once, buy them over time or get them through an installment plan. Regardless of your choice, the first payment is due no later than May 1, 2018, or your Promise Fund account will be cancelled and you will not be eligible for the Match the Promise program. You must be a U.S. citizen or legal resident alien to open a Promise Fund account.

### **Texas Residency**

Parents and legal guardians may apply for the Match the Promise program on behalf of their child if the child is a Texas resident and a dependent for federal income tax purposes of a Texas resident. The parent or legal guardian who claimed the child as a dependent on his or her 2016 federal income tax return must submit the application.

### **Grade Level Requirements**

Applications will be accepted for students who are in grades five through nine at the time the application is submitted.

### **Income Requirements**

Family income is defined as the combined adjusted gross income of a child's parents or legal guardians, as reported on the federal income tax return(s) filed for 2016. In cases of divorce, the income of the parent or guardian claiming the child as a dependent on his or her income tax return and the income of the spouse of that parent or guardian, if any, are used to determine family income.

The income from any W-2 or 1099 tax forms received for 2016 will be used for persons not required to file an income tax return.

Applications will only be accepted for eligible students with a family income of \$100,000 or less.

### **Ineligibility**

Family members of a Texas Match the Promise Foundation Board director, Texas Prepaid Higher Education Tuition Board member, Comptroller employee or substantial contributor to the Foundation are ineligible to apply for the Match the Promise program. This includes parents, stepparents, brothers, sisters, stepbrothers, stepsisters,

grandparents (including great), step-grandparents, grandchildren, children (includes children's spouses), stepchildren, foster children, foster parents, aunts, uncles, nieces, nephews, first cousins, step-aunts, step-uncles or step-cousins.

### **Promise Fund Account Types**

If your child's Promise Fund account is a lump sum plan, this account will automatically be relabeled as a pay-as-you-go account so that you can make additional tuition unit purchases as needed with the same account number.

If your child's Promise Fund account is an installment plan that is not paid in full, you can use this account to meet the contribution requirements for the Match the Promise program. If the installment plan is paid in full, you will need to open a new account to make additional tuition unit purchases as needed.

**See HOW TO APPLY on next page.**

### **DATES TO REMEMBER**

#### **Sept. 1 – Dec. 31, 2017**

Eligible applicants may submit a Match the Promise application during this time.

Families applying for the scholarship program can also enroll in the Promise Fund if they have not already done so, paying a one-time \$25 administrative fee.

#### **Jan. 1 – Feb. 28, 2018**

The Foundation will consider completed applications.

#### **March 31, 2018**

The Foundation will determine approved recipients by this date and notify applicants.

#### **May 1, 2018**

Income verification is due from approved recipients.

#### **Aug. 31, 2018**

Approved recipients will have until this time to meet the contribution requirements for the scholarship program.

#### **Sept. 30, 2018**

The Foundation will deposit tuition units in a scholarship account for approved recipients by the end of September if the minimum contribution requirement is met.





## Promise Fund Accounts Purchased by Non-Parent/Guardian

Parents and legal guardians who are not the owner (purchaser) of their child's Promise Fund account can participate in the Match the Promise program by asking the account owner to fill out the Account Owner Purchaser Certification in the application.

The owner of the designated Promise Fund account will own any contributions made to that account, and can take actions with the account that could result in the student losing some or all of their scholarship or grant, including making non-qualified withdrawals from the account, closing it or changing the beneficiary. Only the account owner can authorize redemption of tuition units for the designated Promise Fund account and scholarship account when the student is ready for college.

Only the account owner is authorized to request information from the Promise Fund program about the designated Promise Fund account and scholarship account. The account owner will receive annual statements and can obtain information by calling the Promise Fund program or by accessing the Promise Fund website.

By signing the Account Owner Purchaser Certification, the owner of the designated Promise Fund account authorizes the Foundation to provide account information about the scholarship account, and about Promise Fund contributions and actions that affect the scholarship account, to the student's parent or guardian.

## HOW TO APPLY

### Application Process

Review the criteria under "Who Can Apply" to determine if your child is eligible for the Match the Promise program. If your child is eligible, and if you claimed the child as a dependent on your 2016 federal income tax return, follow the steps below to apply.

1. Fill out Pages 2-3 of the application.
2. Read and sign Pages 4-7. If you are not the owner of the designated Promise Fund account, both you and the account owner must sign Page 8.
3. Include your child's career essay (see Career Essay section on this page).

4. Include a copy of your child's report card or transcript for the entire 2016-17 school year (see Grade Documentation section on next page).

**Please note that none of the enclosed documentation will be returned to you.**

5. Review the checklist on Page 9 of the application to ensure it is complete. Mail the application and supporting documentation to the address shown.

You can also choose to download the application packet online at [www.MatchThePromise.org](http://www.MatchThePromise.org).

### Application Period

Match the Promise applications will be accepted for consideration if postmarked and submitted in good order between Sept. 1 and Dec. 31, 2017. In the event of multiple applications with the same scores, awards will be made in the order in which the applications were received, based on date and time stamps.

Any application postmarked after Dec. 31, 2017, will not be considered, and all paperwork will need to be resubmitted during next year's application period.

### Incomplete Applications

Applications will be regarded as incomplete if all questions are not answered, if the application is not appropriately signed or if the career essay and a copy of the school report card or transcript are not enclosed. Incomplete applications will not be considered.

### Career Essay

Your child must write an essay about the career he or she is interested in and why. The essay must be the child's original work of 200 to 300 words and include:

- information about the career the student is interested in and why;
- the education or training needed for the career;
- opportunities for this type of work in the future; and
- the steps the student took to learn about the career.

If your child has written an essay for the Match the Promise program before and is still interested in the same career, he or she should tell us what they have learned since the last essay. If your child has another career in mind, he or she should tell us about that one. If your





child is writing about the same career, he or she might want to learn about someone who does this type of work and use the example to explain why they find this career interesting. Just remind your child to include the information bulleted on the previous page. We will not accept essays that have been submitted before.

Please encourage your child to write about the career that genuinely interests him or her. However, please note that unlike the tuition units in your Promise Fund account, scholarship tuition units cannot be used at career schools or private or out-of-state colleges and universities.

Essay instructions for your child are included in the printed application packet and online at [www.MatchThePromise.org](http://www.MatchThePromise.org).

### **Grade Documentation**

You will need to submit a copy of your child's report card or transcript for the entire 2016-17 school year with the application. The copy must show the student's name, school and grade during the 2016-17 school year.

### **Applying for Multiple Children**

There is no limit to the number of children from the same household that can participate in the Match the Promise program. Each child must be the beneficiary of a Promise Fund account and meet the other eligibility requirements to apply.

Parents and legal guardians applying on behalf of more than one child must complete and submit a separate application for each child. Each application should be mailed, along with the supporting documentation, in a separate envelope.

### **Applying in Multiple Years**

There is no limit to the number of years that eligible applicants can apply for the Match the Promise program, but applicants will need to reapply each year.

Applicants can receive the *Matching Scholarship* in multiple years but can only receive the *Promise Scholarship* once.

## **HOW IT WORKS**

### **Selection Criteria**

Applications will be scored by assigning points to career essays, grade averages, income levels and numbers of dependents.

Points for essays will be calculated based on the student's understanding of the career he or she is interested in and why, the education or training needed for the career, opportunities for this type of work in the future and the steps the student took to learn about the career. Points will also be assigned for the quality of the essay, including spelling and grammar.

### **Approval**

The Foundation will consider completed applications and notify approved recipients in March 2018. Approval is subject to income verification.

### **Income Verification**

If your child is approved for a scholarship or grant, you will be asked to submit a copy of your 2016 federal income tax return to the Foundation. The income tax return must show the tax filer name(s) and address, filing status, child's name and family's adjusted gross income. Social security numbers must be marked out on the tax return.

If you were married but filed separately, the Foundation will need a copy of the income tax returns for both spouses. In cases of divorce, the Foundation will need a copy of the tax return(s) for both the person claiming the child as a dependent on his or her return and that person's spouse. Persons not required to file an income tax return will need to submit a copy of any 2016 W-2 or 1099 tax forms if their child is approved for a scholarship or grant.

You must submit income verification no later than May 1, 2018, and the documents you submit must prove you meet the income requirements of the Match the Promise program, for your child to receive a scholarship or grant.

### **Minimum Contribution Requirement**

A minimum of \$100 must be contributed to a student's Promise Fund account during the current sales period (Sept. 1, 2017 – Aug. 31, 2018) to receive a scholarship or grant. Although Match the Promise applications must be submitted by Dec. 31, 2017, approved recipients will have until the end of the current Promise Fund sales period on Aug. 31, 2018, to meet the contribution requirements for the scholarship program.







## Scholarship Deposits

The *Matching Scholarship* and *Promise Scholarship* will be awarded in the form of tuition units, rather than cash. The units will be deposited in a scholarship account for each recipient by the end of September 2018 if the minimum contribution requirement is met.

Tuition units will be deposited in a recipient's scholarship account provided that such distributions do not result in the collective balance of the recipient's Promise Fund account(s) and scholarship account(s) exceeding the limit in the Promise Fund Plan Description and Master Agreement (currently a \$370,000 limit in all Texas 529 education savings plans for one beneficiary).

## Funding

### Matching Scholarship

The Foundation will provide a match of the same type of tuition units you purchase, for up to \$500 of your tuition unit purchases, during the sales period in which the recipient is approved (Sept. 1, 2017 – Aug. 31, 2018). Scholarship recipients with a family income of \$75,000 or less will receive a two-to-one match. All other scholarship recipients will receive a one-to-one match.

You can purchase more tuition units, but only the first \$500 of your tuition unit purchases will be matched.

### Promise Scholarship

The Foundation will provide a one-time grant of tuition units worth \$2,000 at today's prices. The number of tuition units will be based on the unit prices for the sales period in which the recipient is approved (Sept. 1, 2017 – Aug. 31, 2018). These grants do not have a matching component.

## Eligible Contributions

Any contribution to a recipient's Promise Fund account — from the account owner, family or friends — will be included in the amount considered for scholarship deposits.

Scholarship deposits will be based on the amount of contributions to a recipient's Promise Fund account minus the amount of any withdrawals from that Promise Fund account during the current sales period (Sept. 1, 2017 – Aug. 31, 2018). Please note that contributions must be *received* by the Promise Fund program during the current

sales period, not just postmarked, to be included in the amount considered for scholarship deposits.

The one-time \$25 fee to enroll in the Promise Fund and rollovers to a Promise Fund account from another 529 education savings plan do not count toward the scholarship contribution requirements.

Keep in mind that Promise Fund tuition unit purchases must be made by plan due dates. Contributions should continue to go to the Promise Fund program. Please do not send contributions to the Foundation.

## Scholarship Accounts

Each scholarship account will be linked to the approved recipient's Promise Fund account. The Foundation will own the scholarship account and retain control of the tuition units funded by scholarships and grants, disbursing as needed directly to Texas public colleges and universities for tuition and required fees.

## Account Access

Scholarship account information is not available online. The owner of the designated Promise Fund account can obtain this information by calling the Promise Fund program. Be sure to mention that the Foundation awarded the beneficiary of your Promise Fund account a matching scholarship or tuition grant.

The owner of the designated Promise Fund account will also receive an annual statement for the recipient's scholarship account from the Promise Fund program.

## Terms and Conditions

Scholarship accounts will be governed by the terms and conditions of the Promise Fund Plan Description and Master Agreement, except as shown differently here.

## USE OF TUITION UNITS

### **Holding Period**

Tuition units funded by scholarships and grants must be held for three years before the units can be used. (This three-year holding period applies to all Promise Fund tuition units.)





## Qualified Expenses and Eligible Schools

Scholarship tuition units can be used for undergraduate resident tuition and school-wide required fees at Texas public two- and four-year colleges and universities. Scholarship tuition units **cannot** be used at career schools or private or out-of-state colleges and universities.

## Distribution of Units

When registering at a Texas public college or university, the approved recipient should notify the school's billing office that he or she will be using the Promise Fund as payment for all or some of the tuition and required fees.

To request approval to use available scholarship tuition units awarded by the Foundation, the owner of the linked Promise Fund account must submit an Approval Request to Use Scholarship Tuition Units to the Foundation. The Foundation will work with the Promise Fund program to disburse scholarship tuition units as needed, up to the maximum number available, directly to the school's billing office upon request.

To the extent possible, available tuition units in the recipient's linked Promise Fund account(s) should be used before tuition units in the recipient's scholarship account(s).

## Scholarship Beneficiary

Scholarship accounts must be used on behalf of the approved recipient. The beneficiary of the scholarship account cannot be changed.

## FORFEITURE

### Non-Qualified Withdrawals and Transfers

If the Promise Fund account owner makes a non-qualified withdrawal or 529 transfer resulting in the sum of tuition units that are currently in the linked Promise Fund account plus tuition units that have already been used for qualified expenses being less than the amount of tuition units purchased with the minimum contribution requirement (\$100), the scholarship or grant will be forfeited.

For these purposes, a non-qualified withdrawal is a withdrawal for something other than a qualified expense. A 529 transfer is a transfer to another 529 education savings plan.

### *For Matching Scholarship Recipients Only:*

If the Promise Fund account owner makes a non-qualified withdrawal or 529 transfer resulting in the sum of matched tuition units that are currently in the linked Promise Fund account plus matched tuition units that have already been used for qualified expenses being less than the amount of tuition units the Foundation matched, the difference will be forfeited.

## Time Limits

Any scholarship tuition units that are not used by the approved recipient within 10 years of his or her projected high school graduation date will be forfeited and returned to a pool of tuition units maintained by the Foundation.

Time spent by the recipient as an active duty member of the U.S. armed services will be taken into consideration.

## Graduation

Upon the approved recipient's successful completion of an associate or a bachelor's degree, any unused tuition units will be returned to the Foundation's scholarship pool.

A recipient who completes an associate degree and who subsequently enrolls in a bachelor's degree program can request in writing that the scholarship account not be forfeited and must provide enrollment evidence in a form acceptable to the Foundation.

## Promise Fund Beneficiary Change

The scholarship account will be forfeited if the beneficiary of the linked Promise Fund account is changed.

## Inaccurate Information

The scholarship account will be forfeited if false or misleading information is provided on the Match the Promise application or supporting documentation, or on the Promise Fund application. Misrepresentations by participants may be reported to the Comptroller's Office of Criminal Investigation and the Attorney General's Office for prosecution and to recover any distributions.

## Other Circumstances

The scholarship account will also be forfeited for any event the Foundation determines is inconsistent with the scholarship program's purposes.



## THE FOUNDATION

### Program Funding and Modifications

Match the Promise scholarships and grants are subject to the availability of funds and may be reduced or stopped at the Foundation's discretion at any time for any reason.

The Foundation may periodically make adjustments to the Match the Promise program, including but not limited to the number of scholarships, maximum award amounts, eligibility requirements and selection criteria.

### Program Management

The Foundation reserves the right to establish priority of acceptance to the Match the Promise program. In the event of multiple applications with the same scores, awards will be made in the order in which the applications were received, based on date and time stamps. The Foundation may require additional information or documentation to verify income or other eligibility and has the right to reject any application.

## TAX ISSUES

The Match the Promise program is designed so that the funds in scholarship accounts should not be subject to federal income tax. However, it is possible future changes in law may cause the funds to be taxable, or the Internal Revenue Service may take the position that the funds are taxable, in the year the scholarship benefits are awarded or distributed. Distributions from a scholarship account will be reported to the Internal Revenue Service to the extent required by federal law. The applicant should consult a tax advisor for more information.

## PUBLIC ASSISTANCE

The Match the Promise program is designed so that the funds in scholarship accounts should not be considered

an asset in establishing eligibility for state-funded student financial assistance, the state child health plan, aid to families with dependent children and state medical assistance. However, determining the effect of scholarship accounts on eligibility for public assistance programs is the responsibility of the applicant. The applicant should consult a qualified advisor to determine how a scholarship or grant may affect eligibility for state and federal benefits.

## PERSONAL INFORMATION

The information provided on the application is considered personal information. The Foundation will use or review personal information according to state law to determine eligibility for the Match the Promise program. Personal information also includes school report card or transcript and federal income tax return information.

Personal information cannot be disclosed to third parties without the applicant's informed consent or the consent of the person to whom it pertains, unless required by state or federal law or legal process. Please see Page 4 of the application (Participation Consent, Liability Release and Indemnity Agreement) for more information.

The Foundation may release information required by an institution of higher education at which an approved recipient may enroll or is enrolled. The Foundation may share your personal information with the Promise Fund. The Foundation may share portions of your application with volunteer application reviewers. Reviewers agree not to keep any personal information they are given to review.

The Foundation may compile collective information from applications into reports made public for the legislature, donors and prospective donors. These reports will not include personally identifiable information.

## FOR DETAILS

Find more on Match the Promise:

[www.MatchThePromise.org](http://www.MatchThePromise.org) · 1-800-531-5441, ext. 3-7570

Find more about the Promise Fund:

[www.texastuitionpromisefund.com](http://www.texastuitionpromisefund.com) · 1-800-445-4723, opt. 5



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